

World Trade Situation and Policy Updates

Commerce Department Announces and Amends Preliminary Dumping Margins in the Antidumping Case Against Canadian Greenhouse Tomatoes

On October 1, 2001, the Commerce Department's International Trade Administration (ITA) announced its preliminary determination that greenhouse tomatoes from Canada are being, or are likely being sold in the United States at less than fair value. The U.S. International Trade Commission (ITC) had earlier issued a preliminary determination in May that the imports were causing, or threatened to cause, injury to the U.S. industry. The preliminary dumping margins vary depending on the specific exporter/grower. On October 19, 2001, the Department of Commerce's International Trade Administration (ITA) amended its October 1, 2001, preliminary determination that greenhouse tomatoes from Canada are being, or are likely being sold in the United States at less than fair value. The amendment reflected ITA's correction of a significant ministerial error made initially in the dumping margin calculations. In the case of BC Hot House Foods, Inc., the margin was lowered from 50.75 to 33.95 percent. The dumping margins for all other firms that did not provide information to the agency in its preliminary investigation were cut from 32.36 to 24.04 percent. The margins assigned to other companies that provided information remained the same. ITA has indicated it will postpone its final determination until no later than February 19, 2002. Although certain of the initial dumping margins have been reduced, U.S. industry contacts still view these margins as significant. During CY 2000, imports of greenhouse tomatoes into the United States from Canada totaled 48,457 tons valued at \$78 million. Greenhouse tomatoes now account for approximately 50 percent of the total volume of Canadian tomatoes shipped into the United States.

Commerce Department Announces Final Determinations in Antidumping Duty Investigation of Honey from Argentina and China and Countervailing Duty Investigation on Honey from Argentina

On September 27, the DOC announced its final determinations in the antidumping and countervailing duty investigations of honey from Argentina and the People's Republic of China (PRC). It was found that imports of honey from Argentina and the People's Republic of China are being sold in the United States at less than fair value and that exporters/producers of honey from Argentina have received countervailable subsidies from the Government of Argentina. These investigations were initiated by the American Honey Producers Association and the Sioux Honey Association on October 26, 2000. The DOC set antidumping duties (AD) against Argentine shippers ranging from 32.56 percent to 60.67 percent. The DOC set an additional 4.53 percent countervailing duty (CVD) rate against Argentine honey. With regard to China, antidumping duties were set between 25.88 percent to 183.8 percent. According to U.S. import data, the unit value of Argentine honey fell from approximately \$1,525 per ton in 1997 to \$952 per ton in 2000. Similarly, unit values of Chinese honey fell from \$1,613/ton to \$1,264/ton during the same time period.

Commerce Department Institutes Five-year "Sunset" Review on the Suspended Antidumping

Investigation on Fresh Tomatoes from Mexico

On October 1, 2001, the DOC announced that it is initiating a five-year “sunset” review of the suspended antidumping investigation (Tomato Suspension Agreement), to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would be likely to lead to continuation or recurrence of material injury. The U.S. International Trade Commission (ITC) published a concurrent notice of Institution of a Five-year Review covering this same suspended investigation. Domestic interested parties wishing to participate in this Sunset Review were requested to respond no later than October 16, 2001. The original agreement, signed on November 1, 1996, by the DOC and Mexican tomato growers suspended the DOC’s antidumping investigation on exports of tomatoes into the United States from Mexico. The agreement eliminated the need to implement the preliminary dumping duties, provided that Mexican tomato growers do not sell below the specified reference prices.

Commerce Department Will Not Extend Scope of Antidumping Duties on Non-Frozen Chinese Concentrated Apple Juice

On Tuesday, October 2, 2001, the DOC announced that it would not extend antidumping duties to certain non-frozen apple juice concentrate from the People’s Republic of China. The ruling came after the U.S. apple industry requested in April to expand the established antidumping duty order on Chinese non-frozen apple juice concentrate to include semi-frozen apple juice concentrate. On May 15, 2000, the U.S. International Trade Commission (ITC) issued a final determination that the U.S. apple juice industry has been materially injured by imports of non-frozen concentrated apple juice from China. On the basis of the October 1, 2001, scope ruling, the Commerce Department determined that the “semi-frozen” product, which is shipped and stored at -18 degrees Celsius, is considered “frozen” for classification purposes, and thus does not fall within the scope of the antidumping order on non-frozen apple juice concentrate.

Japan Proposes a Safety Net on Domestic Vegetables

On September 25, 2001, Japan submitted a proposal on the implementation of special safeguards for perishable products to the WTO Special Session of the Committee on Agriculture. The proposal is for a new safeguard mechanism for seasonal and perishable agricultural products to provide for “timely and effective” safeguard measures to protect domestic growers from rapidly growing imports from neighboring countries. *Details of how the proposal would work are as follows:* 1) The new safeguard mechanism would be applied automatically based on a pre-set trigger level for quantity and/or price of imports. It would not require an investigation and determination by the authorities on the increased volume of imports or injury to a domestic industry. The additional duties would be automatically imposed (details not provided); 2) The proposed safeguard mechanism would cover all unprocessed agricultural products, including frozen products intended for preservation, as

well as slightly processed products such as cut products. Dried products would not be covered by this

safeguard.

Philippine Ban on Chinese Fruits and Nuts Could Bring New Market Opportunities for U.S. Exporters

On October 11, 2001, the Philippine Department of Agriculture ordered a ban on most fruit and nuts imports from China, including apples, pears, apricots, peaches, plums, quinces, cherries, almonds, and walnuts. The ban was imposed in response to the interception of codling moths (*Cydia pomonella*) in a shipment of Chinese apples last week. This development could potentially bring new opportunities for U.S. fruit and nuts sales to the Philippines, at least until such time China is able to address related Philippine concerns and overturn the ban. Apples account for the bulk of the Philippines' fruit and nut imports from China. In calendar year (CY) 2000, China's apple exports to the Philippines totaled nearly 56,000 metric tons, valued at \$16 million. This compares with shipments of 11,000 tons of U.S. apples, valued at \$5 million in the same year. Normally, large volumes of apples are imported into the Philippines starting in November for the Christmas holiday season.

Binational Panel Announces Decision on Mexico/U.S. High Fructose Corn Syrup (HFCS) Antidumping Duties

On October 10, 2001, the NAFTA Binational Panel issued a final decision indicating that Government of Mexico did not sufficiently establish evidence of damage to the domestic sugar industry due to imports of U.S. HFCS. The Binational Panel agreed with earlier WTO and NAFTA decisions. Consequently, the Government of Mexico has 90 days to decide whether to: 1) concede that damage to the industry has not been proved, withdraw the antidumping duties on imported HFCS and refund past antidumping duties which have already been collected; or 2) proceed to re-evaluate the evidence/justification according to the specifications of this NAFTA panel to determine if there has been substantial damage to the domestic sugar industry.